

Message Text

CONFIDENTIAL

PAGE 01 LOUREN 00218 271900Z

46

ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-01

INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03 /088 W

----- 080607

R 271420Z FEB 75

FM AMCONSUL LOURENCO MARQUES

TO SECSTATE WASHDC 3295

INFO AMEMBASSY DAR ES SALAAM

AMEMBASSY LISBON

C O N F I D E N T I A L LOURENCO MARQUES 218

E.O. 11652: GDS

TAGS: EINV, ENRG, MZ

SUBJECT: WORLD MINERALS PRESENTS MAJOR INVESTMENT PROPOSAL
TO MOZAMBIQUE TRANSITIONAL GOVERNMENT

1. PHILIP PARIS, VICE-PRESIDENT, AND JOHN BROWNING, DIRECTOR,
OF WORLD MINERALS CALLED AT CONGEN FEBRUARY 27 TO BRIEF US
ON \$1.2 BILLION INVESTMENT PROPOSAL THEY HAVE PRESENTED TO
MOZAMBIQUE TRANSITIONAL GOVERNMENT. PRINCIPAL FEATURES OF
PROPOSAL, WHICH THEY REQUESTED BE KEPT CONFIDENTIAL, ARE:

(A) WORLD MINERALS, AS WELL AS THREE OTHER U.S. COMPANIES
WHOSE NAMES CANNOT BE DIVULGED YET, SEEK 20,000 SQUARE KILO-
METER PETROLEUM AND GAS EXPLORATION CONCESSION IN AREA EX-
TENDING ROUGHLY FROM SAVE RIVER TO VILANCULOS. AREA INCLUDES
PANDE GAS FIELD (PROVEN RESERVES OF ONE TRILLION CUBIC
FEET). GROUP WOULD SPEND OVER \$11 MILLION FOR EXPLORATION.

(B) IF SUFFICIENT NATURAL GAS IS FOUND IN CONCESSION AREA,
GROUP WILL INVEST \$1.2 BILLION IN FACILITIES AND SHIPS TO
EXPORT LIQUIFIED NATURAL GAS (LNG) TO U.S. MINIMUM OF FOUR
TRILLION CUBIC FEET ARE REQUIRED TO MAKE PROJECT ECONOMICALLY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LOUREN 00218 271900Z

VIABLE. INVESTMENT WOULD INCLUDE \$400 MILLION FOR LNG PLANT

TO BE BUILT ON BAZORUTO ISLAND AND \$750 MILLION FOR 5 LNG SHIPS. MOZAMBIQUE GOVERNMENT WOULD BE GIVEN 50 PERCENT SHARE OF MOZAMBIQUE GAS PRODUCTION COMPANY, EVEN THOUGH ALL INVESTMENT PUT UP BY GROUP. GOVERNMENT REVENUE FROM PROJECT WOULD BE IN ORDER OF \$20 MILLION PER YEAR.

2. AFTER INITIAL TALKS WITH DIRECTOR OF MOZAMBIQUE BUREAU OF MINES, PARIS AND BROWNING HAVE IMPRESSION PROJECT PRESENTS TWO PROBLEMS FOR MTG: (A) MTG WAS PLANNING TO USE PANDE GAS FOR AMMONIA AND FERTILIZER COMPLEX; AND (B) MAJOR INVESTMENT CONTRACT WITH US PRIVATE INVESTMENT GROUP MAY APPEAR TO FRELIMO'S SOCIALIST ALLIES A SELL-OUT TO CAPITALISM. RE (A), PARIS AND BROWNING POINTED OUT THAT LNG WOULD PROVIDE MOZAMBIQUE HIGHEST RETURN FOR ITS GAS AND THAT PETROCHEMICALS REQUIRE RELATIVELY LITTLE GAS, PROBABLY AVAILABLE FROM OTHER AREAS OF MOZAMBIQUE.

3. PARIS AND BROWNING WILL HAVE FURTHER TALKS WITH MTG OFFICIALS BUT DO NOT EXPECT ANY DECISION BEFORE THEY DEPART FEBRUARY 28.

4. WE WOULD APPRECIATE ANY INFORMATION DEPARTMENT HAS ON OTHER COMPANIES INVOLVED IN PROPOSAL.
WALKER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LNG, FOREIGN INVESTMENTS, POLITICAL SITUATION, EXPLOITATION (NATURAL RESOURCES)
Control Number: n/a
Copy: SINGLE
Draft Date: 27 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: buchandr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LOUREN00218
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750069-0826
From: LOURENCO MARQUES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975027/aaaaagdg.tel
Line Count: 85
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchandr
Review Comment: n/a
Review Content Flags:
Review Date: 13 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 MAY 2003 by ifshinsr>; APPROVED <07 OCT 2003 by buchandr>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: WORLD MINERALS PRESENTS MAJOR INVESTMENT PROPOSAL TO MOZAMBIQUE TRANSITIONAL GOVERNMENT
TAGS: EINV, ENRG, MZ, US, WORLD MINERALS, (PARIS, PHILIP), (BROWNING, JOHN)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006